

ALASKA ECONOMIC TRENDS

APRIL 2022

THE child care SHORTAGE

ALSO INSIDE

Workers who disappeared during
the pandemic and haven't returned

How long the unemployed collect benefits

FROM THE COMMISSIONER

Achieving our goals requires perfecting follow-through

By Dr. Tamika L. Ledbetter, Commissioner

People who succeed are rarely those we perceive as lucky or more intelligent. Success is found by those who learn to perfect their follow-through.

Commitment to the daily task of revisiting that one project or assignment until you complete it will ensure more effective outcomes. Each day, set aside a block of time to evaluate your performance and assess areas you need to develop or improve. If you commit to that short period of reflection each day, you will find that a little travels a long way.

Unfortunately, many lean toward procrastination and ignore the internal nudge that reminds us about work left undone. To maximize our potential and reach our goals, we must pay timely attention to completing what we start.



As we head into the beautiful Alaska spring, reflect on ways to end the deterrents to your success, including procrastination and idleness. Get busy doing what will help you secure a successful future.

A simple change in mindset, disciplined focus, and intentional daily effort will

place you on the road to greater achievement. When people ask you, “What is the secret to your success?” share with them this simple message: “Perfect follow-through!”

Contact Dr. Tamika L. Ledbetter, Commissioner, at (907) 465-2700 or commissioner.labor@alaska.gov.



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ON THE COVER:

Mt. Spurr Elementary School students wave at passing vehicles during the annual Snow & Ice Parade at Joint Base Elmendorf-Richardson in 2016. The parade showcased snow-removal vehicles used on JBER's roads and runways. Photo by Alejandro Peña, U.S. Air Force

ALASKA

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and WORKFORCE
DEVELOPMENT

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ALASKA ECONOMIC
TRENDS

4 THE SHORTAGE
OF CHILD CARE

9 COVID AND THE
MISSING WORKERS

11 UNEMPLOYMENT
BENEFIT LENGTH

14 GAUGING
THE ECONOMY

Trends is a nonpartisan, data-driven magazine
that covers a variety of economic topics in Alaska.

ON THIS SPREAD: The background image for 2022 is a sparkly Alaska shoreline, taken by Flickr user Darren Hsu. License: creativecommons.org/licenses/by-nc-sa/2.0/

If you have questions or comments, contact the authors listed at the end of each article or the editor at sara.whitney@alaska.gov or (907) 465-6561. This material is public information, and with appropriate credit it may be reproduced without permission. To sign up for a free electronic subscription, read past issues, or purchase a print subscription, visit labor.alaska.gov/trends.

Why child care is hard to find

The shortage predates COVID, but it has gotten worse

By SARA TEEL

Alaska and the nation faced a critical lack of child care after the pandemic hit, but the shortage began long before COVID-19.

A 2018 analysis¹ estimated that 61 percent of Alaskans and about half of Americans lived in a "child care desert" — an area with more than 50 children younger than 5 that either has no providers or so few options that children outnumber available providers three-to-one.

Rates were similar for low-income and high-income Alaska families: 66 percent and 68 percent lived in child care deserts, respectively.

Pandemic was the perfect storm for providers and parents alike

When the pandemic began in March 2020 and prompted widespread shutdowns, many companies turned to remote work and schools to online learning.

Like restaurants and stores, child care providers

¹Thread Alaska data via the Center For American Progress

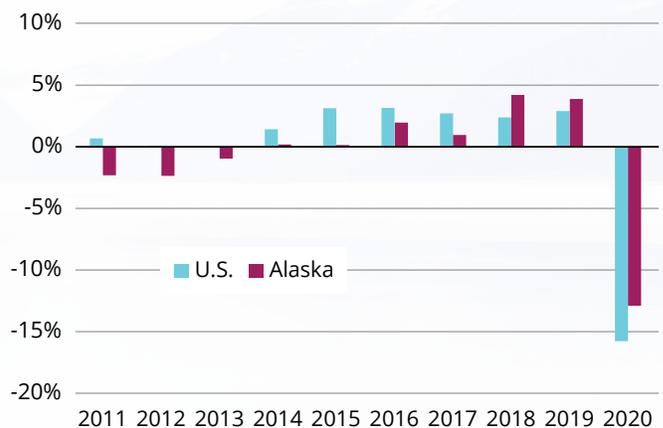
How much child care workers made, May 2020

| | Avg hourly wage | Avg annual wages* |
|----------------------|-----------------|-------------------|
| United States | \$12.88 | \$26,790 |
| Alaska | \$14.40 | \$29,952 |
| Anchorage/Mat-Su | \$13.96 | \$29,037 |
| Fairbanks North Star | \$18.56 | \$38,605 |
| Rest of state | \$14.50 | \$30,160 |

*For full-time work

Source: U.S. Bureau of Labor Statistics

Child care employment dropped in Alaska and nationwide in 2020



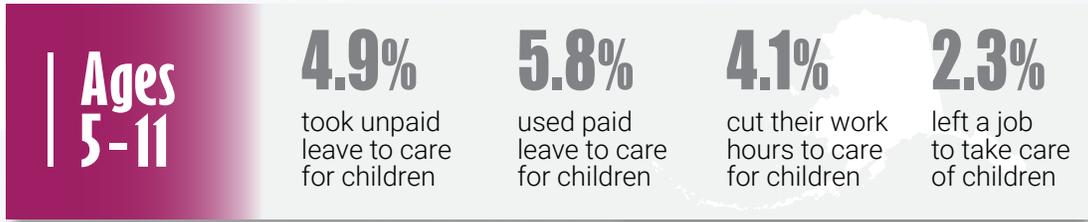
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

grappled with small profit margins, high turnover, and changing regulations. Low pay, lack of benefits, rising costs, and health and safety concerns worsened their ability to hire and keep employees.

Parents who did have care faced spotty reliability when centers had outbreaks or lost staff, and working parents unable to find day care often reduced their hours or dropped out of the labor force.

Since April 2020, the U.S. Census Bureau has regularly asked households how the pandemic affected them over the past four weeks.

The most recent Household Pulse Survey, ending March 14 of this year, found that 4.1 percent of Alaskans with children between 5 and 11 had worked fewer hours over the last month because of child care problems, and 2.3 percent had quit a job to care for children. When the child was younger than 5, the percentages jumped to 12.9 and 5.0 percent, respectively.



Sources: U.S. Census Bureau, Household Pulse Survey for Alaska taken between March 2 and March 14, 2022; and Alaska Department of Labor and Workforce Development, Research and Analysis Section

An unmet need for child care hampers economic recovery

Scarce child care and high costs limit parents' job opportunities, and that ripples through the economy and slows recovery. Growing inaccessibility keeps more people out of the job market, especially working and low-income mothers, which exacerbates worker shortages in multiple industries.

A 2021 report from the U.S. Chamber of Commerce Foundation found that the loss of productivity from child care issues costs Alaska's economy an estimated \$165 million a year, with \$152 million coming from absences and turnover.

Alaska had five times more kids than child care spaces in 2020

In 2020, Alaska was home to 123,445 children under age 12, and 48,972 of those were younger than 5. (See the maps on page 8.)

In December 2020, Alaska had 24,337 total slots in licensed child care, accredited child care, and school-age-only programs. (See the sidebar on the next page.) Although the number of available child care slots doesn't include family and friends who provide informal care in their homes, it shows Alaska had over five times more children than it had documented active slots.

For context, over the last decade, the average

number of monthly spaces ranged from a low of 16,595 in 2010 to a high of 30,756 in 2015.

The pandemic and its staffing problems muddled the idea of availability, too, as they didn't translate into concrete openings if they weren't adequately and consistently staffed.

What the loss of spaces and providers meant for employment

Almost a fifth of Alaska's licensed child care facilities have closed since March 2020, mainly because of financial losses and the lack of workers.

Widespread business closures nationwide meant steep job losses for child care, starting in April 2020. In just one month, Alaska lost 37.3 percent of its child care jobs (-679). Relative to the previous April, total child care employment was down 39.5 percent.

Nationally, almost 320,000 child care jobs disappeared from March to April, a 34.2 percent loss. In terms of loss over the year, the U.S. had 33.9 fewer child care jobs in April 2020 than it had the previous April.

Some jobs came back as the year progressed. By December, Alaska's count rebounded to about 11.5 percent below the previous December. Nationally, it was still 15.8 percent lower.

Job recovery has continued, albeit slowly. By September 2021, Alaska had about 1,600 child

care jobs, or 13.9 percent fewer than we had in September 2019. Still, it was an improvement from the lows of 2020. Alaska had 3.8 percent more child care employment during the first nine months of 2021 than during the same period the previous year.

The shortage of child care has affected women most

Since the pandemic began, the consequences of the child care shortage have mostly fallen on women. According to a Harvard Business Review survey, over a quarter of American women unemployed during the pandemic lost their jobs because they didn't have child care.

The U.S. Bureau of Labor Statistics' time-use studies consistently show that women typically shoulder the responsibility for child care, senior care, and housework.

Lack of child care led to reduced hours for 23 percent of Black mothers and 15 percent for all other races. By relationship status, 22 percent of single, divorced, separated, or widowed mothers had to cut their hours. For married mothers, it was 15 percent.

Nationally, the labor force participation rate among women fell to 54.6 percent in April 2020, its lowest level since 1985 and a 2.5 percentage point drop from March. (The rate for men also fell 2.5 percentage points over the same month, to 66.1 percent.)

How much care costs, and why

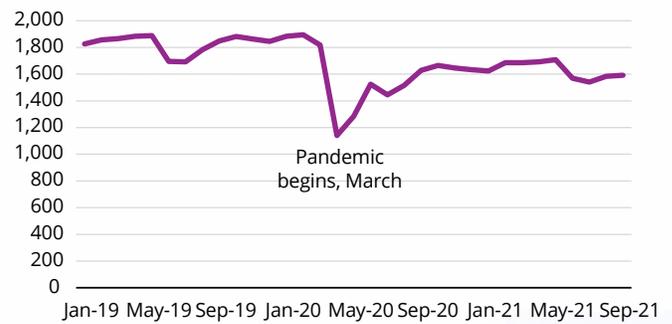
The average U.S. family spends more than \$9,000 a year on care per child, which eats up about 10 percent of a two-parent household's income and 34 percent for a single parent.

As with many goods and services in Alaska, Alaskans pay more for child care. Costs vary by location, type, and quality but can be prohibitive, sometimes rivaling a rent or mortgage payment.

In 2019, infant care averaged \$11,832 — 11.7 percent of an Alaskan's median income. The Fairbanks area topped the list at \$15,324, with Sitka a close second at \$14,280. (See the table on the next page.)

While these 2019 costs are the most recent for Alaska at this level of detail, in 2021 the U.S.

Total child care employment in Alaska by month, 2019-2021



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Who counts as a child care provider for this article

Child care services include jobs in nursery schools, preschools and other pre-kindergarten centers, child day care services, babysitting services in someone's home (excluding informal or unpaid care), and Head Start programs.

They do not include programs connected with elementary schools.

Chamber of Commerce estimated the average price tag for child care in Alaska at \$11,784. That's more than a year of full-time university attendance in Alaska. For comparison, tuition and fees at the University of Alaska Anchorage for lower-division classes during the 2022-23 school year (12 credits each semester) will be just over \$7,000.

Child care costs are high for multiple reasons, including labor costs and the state and local regulations that stipulate how many children one worker can oversee. The limit often depends on the children's age.

Labor costs can be as much as 56 to 68 percent of a child care provider's expenses, depending on whether they pay benefits. For comparison, restaurants' labor costs range from 25 percent for fast food to 40 percent for full service.

Even with such high labor costs, pay tends to be low for caregivers, and they typically don't receive benefits such as health insurance.

Child care workers nationwide made an average of \$12.88 an hour in 2019 — \$26,790 a year for full-time.

Alaska's average was slightly higher at \$14.40 an hour, or \$29,952 annually. (Notably, Fairbanks was the state's highest-cost area but also paid child care workers about \$4 more per hour than the statewide average.)

With the pandemic-induced tight job market and broad pressure on employers to pay more, many former child care workers have found higher-paying jobs — often with benefits and work environments where virus spread is less of a concern.

Federal funds, telework have eased the strain somewhat

To offset child care costs for providers as well as families last year, the federal government enacted The American Rescue Plan Act of 2021. It provided almost \$24 billion in child care stabilization grants to states, territories, and tribes.

ARPA includes an income-based child tax credit of up to \$3,600 for children under age 6 and \$3,000 for those between 6 and 17. About 88 percent of American children qualify.

Alaska's child care providers began to receive almost \$100 million in COVID relief in 2021, quadrupling the funds typically available for these programs. Disbursement has been slow, however; only about \$5 million had been paid out by the end

Yearly child care center costs in Alaska, 2019

| | Annual price, infant | % of median income | Annual price, age 4 | % of median income |
|-----------------------------------|----------------------|--------------------|---------------------|--------------------|
| Anchorage | \$12,072 | 11.3% | \$9,900 | 9.2% |
| Dillingham Census Area | \$10,896 | 13.1% | \$8,700 | 10.5% |
| Fairbanks North Star Borough | \$15,324 | 16.6% | \$10,200 | 11.1% |
| Juneau, City and Borough | \$14,820 | 12.6% | \$12,864 | 10.9% |
| Kenai Peninsula Borough | \$10,200 | 10.0% | \$8,280 | 8.1% |
| Ketchikan Gateway Borough | \$9,492 | 9.5% | \$7,284 | 7.3% |
| Matanuska-Susitna Borough | \$9,096 | 9.0% | \$8,004 | 7.9% |
| Petersburg Borough | \$10,224 | 9.0% | \$9,180 | 8.1% |
| Prince of Wales-Hyder Census Area | \$11,664 | 12.2% | \$9,216 | 9.7% |
| Sitka, City and Borough | \$14,280 | 12.4% | \$10,500 | 9.1% |
| Statewide | \$11,832 | 11.7% | \$9,895 | 9.8% |

Source: Child Care Aware of America

of October 2021.

The ability to work at home mitigated the child care obstacle for some parents. According to the U.S. Bureau of Labor Statistics, 22 percent of working people nationwide worked from home in 2019. That nearly doubled by 2020, to 42 percent.

The option to telework is industry-specific and often income-dependent. People whose jobs didn't require in-person interaction teleworked more during the pandemic, and those jobs also tended to pay more. Examples include positions in finance, engineering and other consulting, and education.

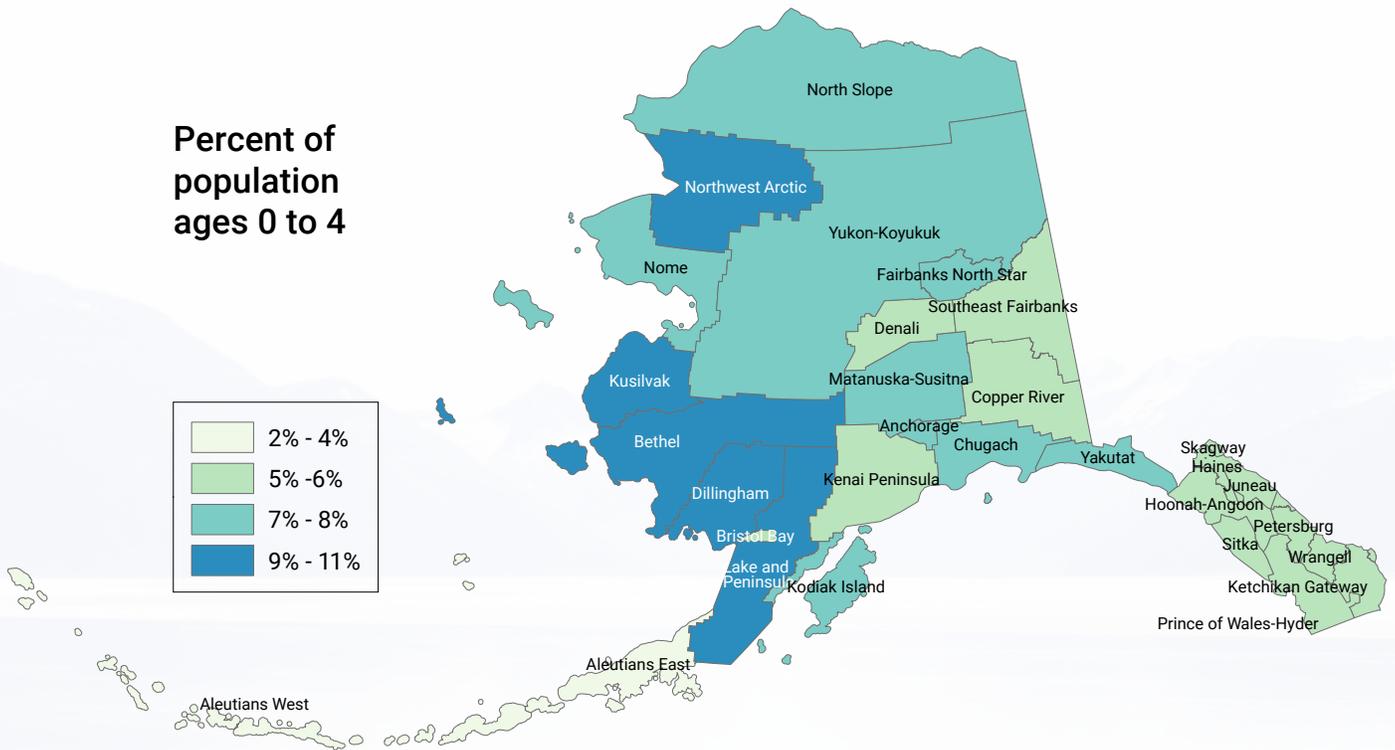
At the same time, accessibility and affordability became even bigger challenges for parents who worked in restaurants, manufacturing plants, hotels, and stores. These positions typically pay less and aren't suited to telework. (See the August 2021 issue for more on teleworking.)

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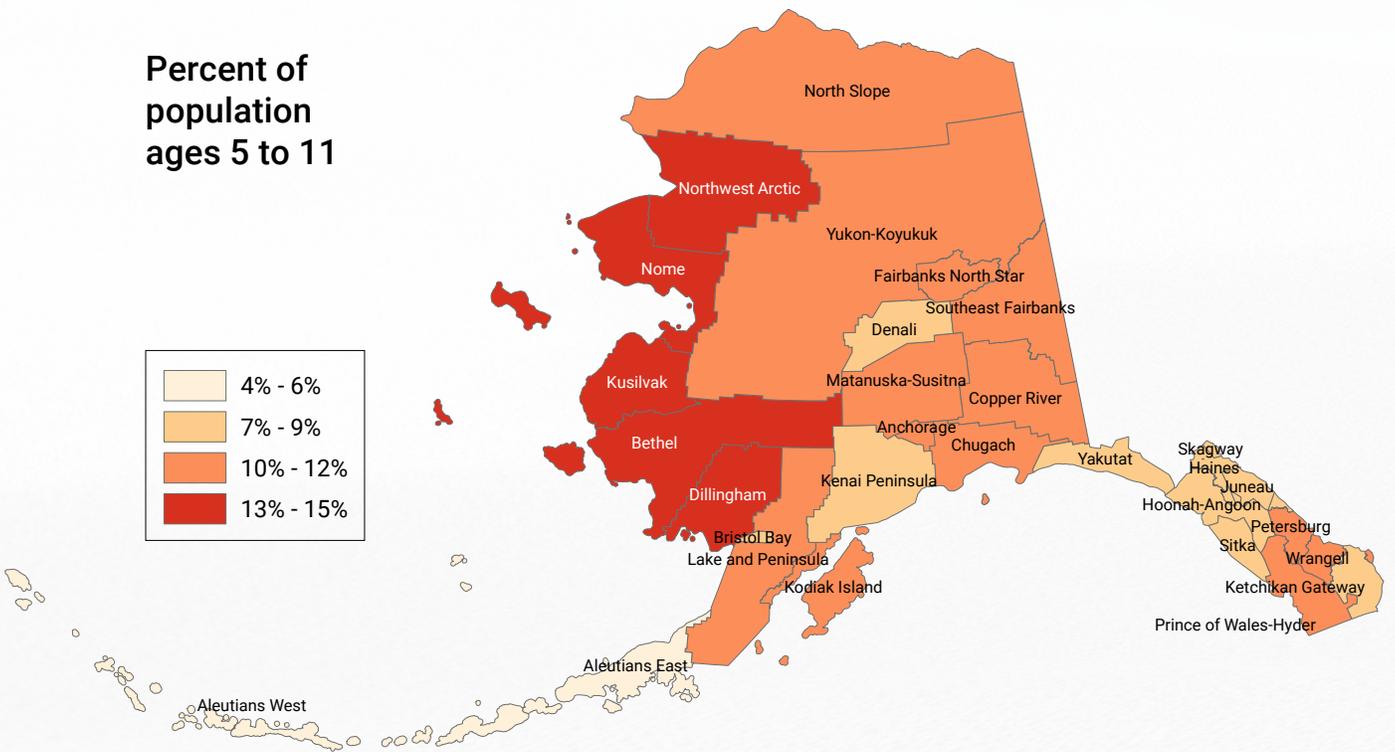
65% of low-income Alaska households care for their own children at home. Among high-income families, it's 33%.

Concentrations of children in Alaska by borough or census area, 2020

Percent of population ages 0 to 4



Percent of population ages 5 to 11



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

COVID and the missing workers

Who stayed out and what that says about the shortage

By DAN ROBINSON

Alaska had 30,000 job openings in January of this year — nearly triple the number from a decade ago. During the summer of 2021, the number climbed as high as 36,000.

It's tempting to attribute the record number of openings to COVID-19, but while the pandemic is partly to blame, demographics are also playing a powerful role.

The large number of openings confirms what employers have been saying for more than a year: They're struggling more than ever to recruit and retain workers.

National and state surveys have identified a mixture of likely reasons, mostly linked to COVID disruptions, related health concerns, and the lack of child care. But Alaska has the unique ability to examine the characteristics of the residents who have fallen out of the workforce, which sheds light on the worker shortage and how long it might last. (See the sidebar on page 10 for more on the data.)

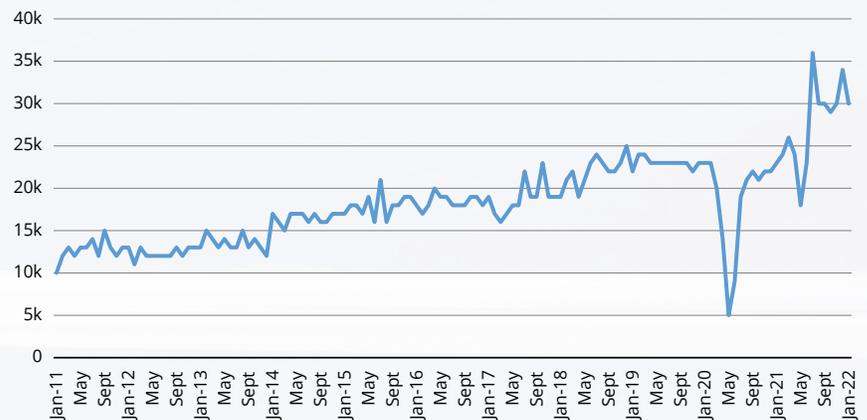
How many people stopped working and haven't returned

To figure out how many pre-COVID workers dropped out of the workforce during the pandemic and didn't return, we first determined that 410,611 people were working in Alaska in the year before the pandemic, and 321,990 of those were residents.

Of the roughly 322,000 working residents, 216,000 continued working throughout the pandemic and were still working in the most recent quarter studied: the third quarter of 2021.

Another 31,000 fell out of the workforce for at least one full quarter during the pandemic but have since returned to an Alaska job.

Alaska's number of job openings jumped in 2021



Source: U.S. Bureau of Labor Statistics, Job Openings and Labor Turnover Survey

Finally, about 75,000 of the original 322,000 were not working for an Alaska employer as of late 2021.

How unusual is the number of workers we lost during COVID?

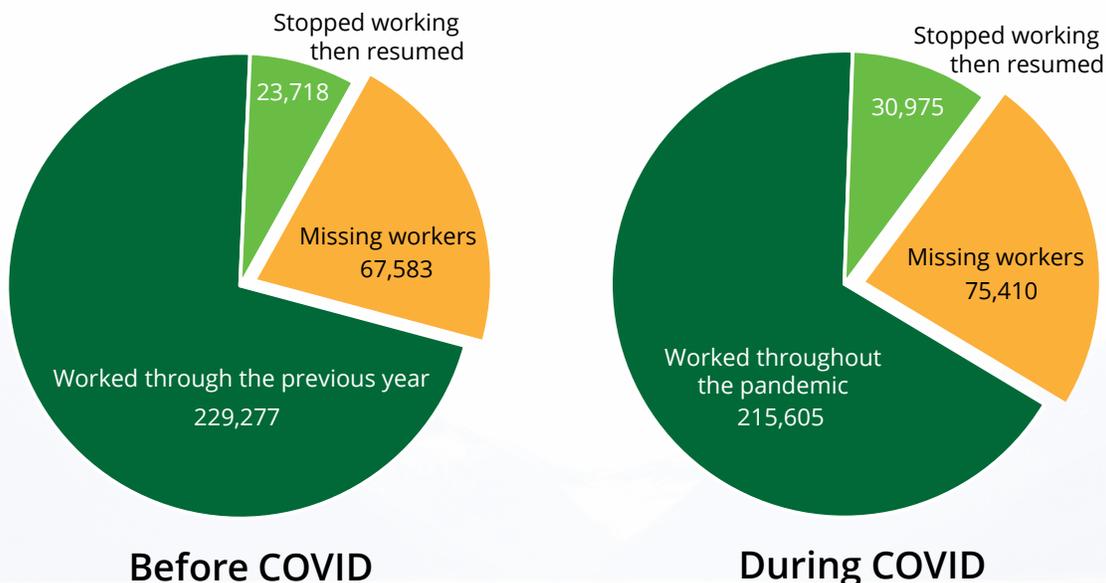
A certain number of people leave the workforce every year regardless of economic conditions, so after pinpointing that 75,000 people who were working before COVID were still missing, we assessed whether that number was unusually high. (See the two pie charts on the next page.)

Alaska has the most seasonal economy in the country as well as the largest migration flows in and out each year. In other words, a large percentage of our population turns over every year.

To get a sense of what's typical, we looked at comparable numbers before COVID hit. As the first pie chart shows, about 68,000 working residents during the pre-COVID period dropped out of Alaska's workforce. Another 24,000 stopped working but then resumed.

Each of the three slices in the two pie charts — one pre-COVID and one during COVID — is telling. First,

How the number of workers we lost compares to the period before COVID



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

About the data

The Alaska Permanent Fund Dividend and detailed reporting by Alaska employers under state unemployment insurance laws provide rich information for labor market research. For this project, we were able to determine Alaska residency as well as workers' occupations, information not available in other states.

We defined the pre-COVID period as the four quarters immediately preceding the large-scale pandemic disruptions and shutdowns: the second quarter of 2019 through the first quarter of 2020. We then followed those workers for the subsequent six quarters: the second quarter of 2020 through the third quarter of 2021, the most recent quarter available.

To approximate a typical amount of workforce churn, we looked at the Alaska resident workforce in the two pre-pandemic periods: from the second quarter of 2017 through the first quarter of 2018 and how they fared over the subsequent six quarters, and then from the second quarter of 2016 through the first quarter of 2017 and how they fared over the subsequent six quarters.

almost 15,000 fewer residents than usual worked consistently during the pandemic. Second, 7,000 more Alaskans than usual had interrupted employment during COVID. And finally, nearly 8,000 additional workers were missing from the workforce about a year and a half after COVID hit.

As mentioned before, it's clear something substantial has changed in employers' ability to fill open positions. The missing workers can help us understand what has changed to the extent their characteristics differ from who we would typically see leaving the workforce each year.

The workers who didn't return were older

Far more of the missing workers were 60 or older; in other words, an unusual number of older workers left their jobs during the pandemic. Attrition for those workers rose from around 20 percent pre-pandemic to nearly 30 percent.

One likely reason is concern about COVID in a particularly vulnerable age group. Another is financial stability after years of strong stock market gains. Some retired, and many likely retired earlier than they otherwise would have. Other factors included care for their even more vulnerable elderly parents and the changing, challenging work environments (such as telework, mandated closures, and disputes over vaccines and masks).

The second-largest increase in missing workers was in the 30-39 age group. Those reasons are murkier, but the fact that more people in this age range have been leaving Alaska than

Continued on page 13

How long the unemployed collect

Alaska's benefit duration over time and how it's set

By LENNON WELLER

In the few years before the pandemic, the average length of time a claimant collected regular unemployment benefits was relatively stable. From 2016 to 2019, Alaska's number of average weeks collected declined from 12.1 to 11. In 2020, the average duration increased to 13.5 weeks.

Claimants don't all qualify to collect for the same number of weeks. Alaska sets the minimum qualifying duration at 16 weeks and the maximum at 26 weeks, based on the stability of claimants' earnings before they became unemployed. (See the next section for more on how Alaska determines the duration.)

While a longer eligible duration did correlate with a longer period of collecting in recent years, it was by less time than one might expect. In any given year since 2015, the difference in the actual duration

paid varied by less than a week between the minimum and maximum. For example, in 2019, someone who qualified for 16 weeks of benefits collected 10.6 weeks on average. A claimant eligible for 26 weeks collected for 11.2.

While it would be reasonable to assume those who qualify to collect longer would do so — and remain out of work longer — that hasn't been the case on a large scale for Alaska.

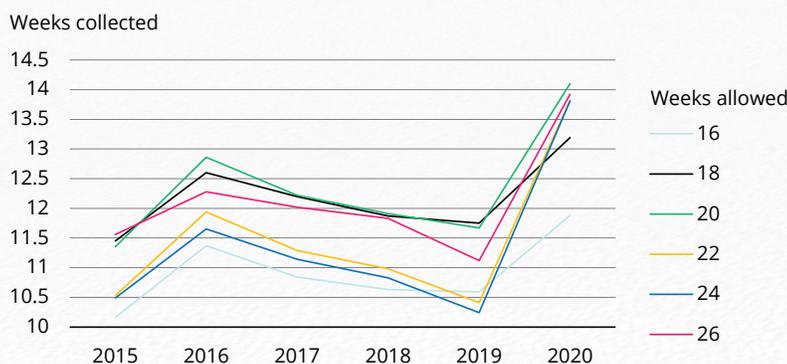
If claimants were all the same and acted only to maximize their eligible payout, they would be equally likely to use up their allowed benefit weeks — called the exhaustion rate

— regardless of their eligible length. But the data show that the longer the eligibility, the *less* likely claimants were to exhaust their allowed benefits.

Between 2015 and 2019, a claimant allowed to collect for 16 weeks ran out of benefits 29 percent of the time. At the other end of the spectrum, those

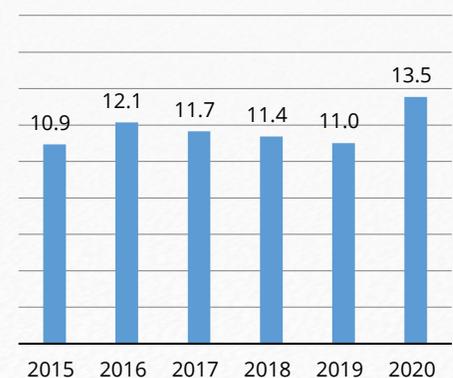
Alaska allows claimants to collect for a minimum of 16 weeks to a maximum of 26.

How long claimants collect, by their allowed maximum duration



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Average number of weeks collected went up in 2020



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

who qualified for 26 weeks reached their maximum just 9 percent of the time.

The numbers suggest that on its own, allowing people to collect longer doesn't necessarily lead to extended spells of unemployment. Several other factors have at least as much to do with how long people draw benefits, including the weekly benefit amount and how much of the lost wages it replaces. (For more on weekly benefit amounts and wage replacement percentages, see the December 2018 issue.)

How Alaska calculates the length of time a claimant can collect

While the weekly benefit amount is a crucial part of a state's unemployment insurance system, how long to make those benefits available is just as important to its ability to replace a meaningful percentage of lost wages and pay long enough to cover the anticipated employment gap.

Every state has its own method of determining how long to pay unemployment benefits. The number of weeks Alaska allows someone to collect depends on base period wages: what the claimant earned during the first four of the most recent five quarters before filing the initial claim. Essentially, it's based on a year's worth of wages.

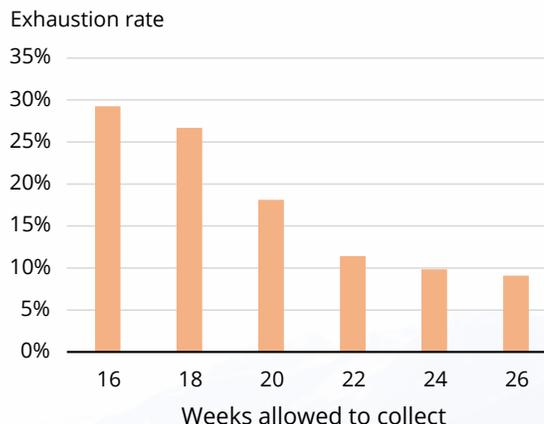
The duration is determined by the earnings ratio, which is a claimant's base period wages divided by the quarter with the highest earnings. The higher the ratio, the longer the eligible duration:

| Earnings ratio | Weeks allowed |
|----------------|---------------|
| less than 1.50 | 16 |
| 1.50-1.99 | 18 |
| 2.00-2.49 | 20 |
| 2.50-2.99 | 22 |
| 3.00-3.49 | 24 |
| 3.50 or more | 26 |

Why Alaska uses wage pattern to determine benefit duration

Tying the eligible duration to a claimant's wage

Percent who ran out of benefits in 2020 by their qualifying duration



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

On its own, allowing people to collect longer doesn't lead to longer unemployment.

pattern helps Alaska balance competing goals. The first is providing an adequate period of coverage. The second is ensuring that those who worked steadily before filing receive an extended period of eligibility. That's based on the assumption they paid more into the system because they hadn't collected in a while.

The wage pattern method doesn't take the condition of the labor market into account. Some states do that by factoring their unemployment rate into the calculation,

usually by creating a maximum duration that can float with unemployment rates.

This method assumes that as unemployment rates increase, more people are both out of work and competing for available jobs, increasing the time it will take to find work. It also assumes the amount of time someone will collect is tied to the unemployment rate and job availability.

Using the unemployment rate also assumes there are few differences between claimants and the circumstances they face in their job searches. A high unemployment rate doesn't necessarily mean fewer job opportunities across all industries and occupations; conversely, some people will struggle to find work even when overall unemployment is low because of their training, experience, age, or other factors. The pandemic is a good example, as its effects on workers varied widely.

How states' benefit durations differ

Thirty-six states consider only wage patterns when setting benefit duration, and six factor in wage patterns *and* the unemployment rate. Eleven states set a uniform duration that disregards both of these.

While states' minimum durations for regular benefits vary significantly, 42 states and territories set the same maximum of 26 weeks. That's because the federal government makes extended benefits available if economic conditions allow, and under a 1970 federal law, a maximum of 26 weeks ensures a state can maximize its potential duration of extended benefits when they become available.

Ten of the 11 states with a uniform duration use 26 weeks. Among the states with a range, the most common minimum duration is 10 weeks. For maximum durations, the second-most frequent maximum after 26 weeks is 20 weeks, used by six states.

On average, states provide a minimum of 15.5 weeks of benefits.

Note: Average duration for this article uses claimant microdata, so the duration is calculated at the claimant level. This method differs from the one the U.S. Department of Labor's Employment Training Administration uses for comparisons across states.

The Employment Training Administration's method uses a 12-month moving average of weeks compensated divided by the same 12-month moving average of first pays. While these administrative data are publicly available and a fair comparison from one state to another, this is not the most accurate measure of actual duration paid on a per-claimant basis.

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MISSING WORKERS

Continued from page 10

moving here in recent years is one clue. Another is the child care availability problem discussed in the article on page 4.

Women were slightly overrepresented among the missing workers, at 51.4 percent (49.4 percent before COVID). On average, women shoulder more of the burden for child care and senior care. Women are also a disproportionate share of some of the hardest-hit industries (restaurants, bars, hotels, schools, and nonemergency health care facilities).

An interesting side note on the missing workers is that only a third filed for unemployment insurance benefits at any point during the pandemic. Among those who stopped working and then resumed, about half collected benefits.

The share of missing workers who filed for benefits during the pandemic was nearly twice as high as normal — the \$600 weekly federal supplement and the temporary suspension of work search requirements both played a role. But what's illuminating is that even though more missing workers filed, two-thirds of them were unaffected by the availability of unemployment benefits. Also, the higher percentage of people who drew benefits and then returned to work confirms the system worked as designed: to temporarily boost those looking to go back to work when market conditions allowed.

Demographics suggest shortage will persist

Interest in the missing workers is more than academic. Employers need to know whether their trouble finding workers will dissipate as the pandemic wanes, and the short answer is no. They will face smaller applicant pools well beyond the pandemic, for two reasons.

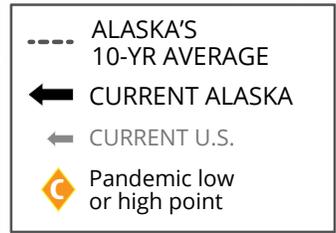
First, most older workers who left the workforce retired and are unlikely to return. While some people over 60 start working again, they are far less likely than younger workers to resume. Those who do start working again tend not to return full-time to the same types of jobs they left.

Second, Alaska's working-age population was shrinking well before the pandemic hit. In the decade before COVID, the number of Alaskans ages 15 to 64 peaked in 2013 at about 509,000, then fell by nearly 30,000 over the next seven years as the large baby boomer cohort aged out of their typical working years.

We will publish more details from this study on our website in late spring or early summer. In the meantime, what the initial numbers make clear is the balance has shifted between the number of positions employers want to fill and the supply of available, interested applicants. Employers who adapt fastest to the changing labor market — one that favors job seekers and those currently working — will have the advantage in the competition to recruit and retain workers.

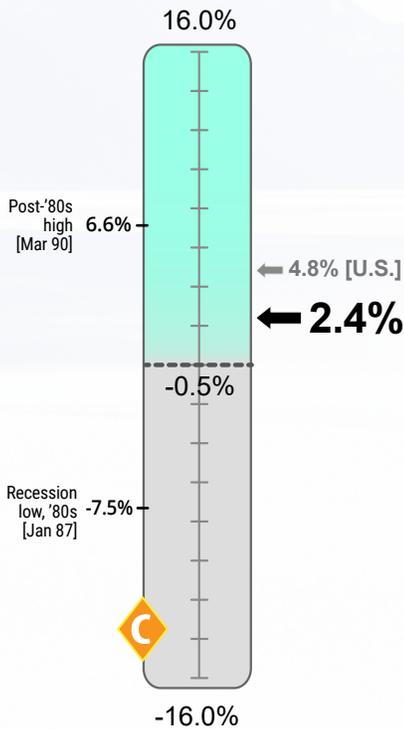
Dan Robinson is the chief of Research and Analysis. Reach him in Juneau at (907) 465-6040 or dan.robinson@alaska.gov.

Gauging The Economy



Job Growth

February 2022
Over-the-year percent change

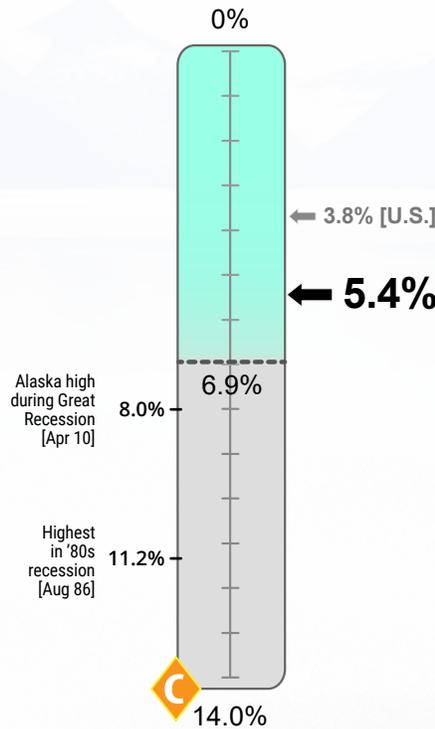


The spread of COVID-19 caused rapid job loss in early 2020. Although employment is up significantly from 2020, it is still 4.3 percent below February 2019.

U.S. employment levels, which were up 4.8 percent from February 2021, were still 1.3 percent below the same month in 2019.

Unemployment Rate

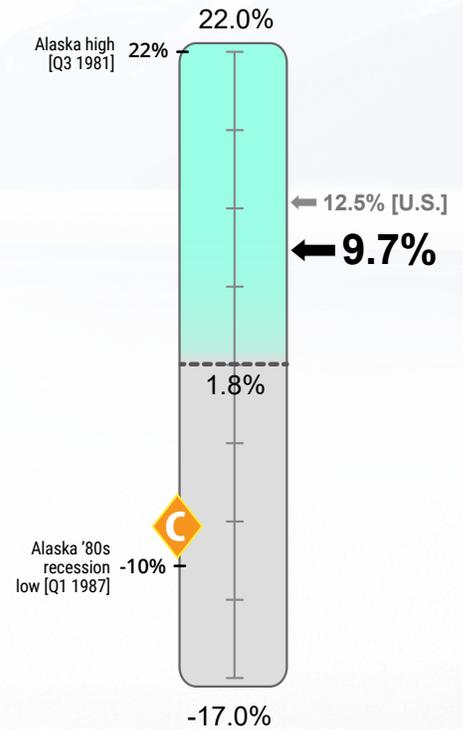
February 2022
Seasonally adjusted



Alaska's unemployment rate has been less useful as an economic measure during the pandemic because of data collection difficulties and an unusually large number of people leaving the labor market — that is, not working or looking for a job.

Wage Growth

3rd Quarter 2021
Over-the-year percent change



After being well down during the second and third quarters of 2020, total wages paid by Alaska employers climbed above year-ago levels in the fourth quarter of 2020.

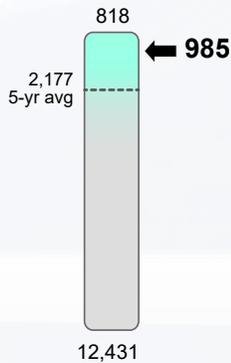
Wages were up 9.7 percent from year-ago levels in the third quarter of 2021 and 2 percent above third quarter 2019.

Gauging The Economy

----- ALASKA'S
10-YR AVERAGE
← CURRENT ALASKA

Initial Claims

Unemployment, week ending March 12, 2022*

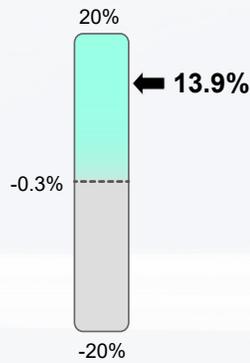


Unemployment claims jumped in the spring of 2020 with the pandemic as many businesses shut down or limited services. Pandemic-driven claims loads are on the decline, and new claims for benefits are back below their long-term average.

*Four-week moving average ending with specified week

GDP Growth

3rd Quarter 2021
Over-the-year percent change*

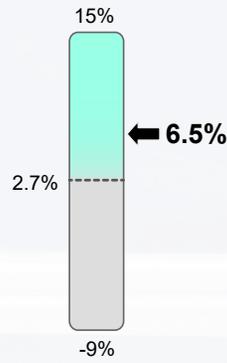


Gross domestic product is the value of the goods and services a state produces. Alaska's GDP fell hard in early 2020 but recovered nearly all those losses in 2021.

*In current dollars

Personal Income Growth

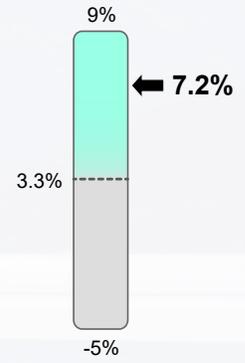
4th Quarter 2021
Over-the-year percent change



Personal income jumped early this year, largely because of federal COVID-19 relief funding, and has since fallen.

Change in Home Prices

Single-family, percent change from prior year, Q4 2021*

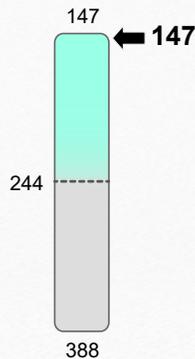


Home prices include only those for which a commercial loan was used. This indicator tends to be volatile from quarter to quarter.

*Four-quarter moving average ending with specified quarter

Foreclosures

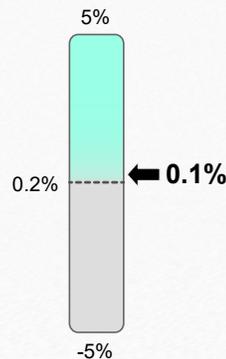
1st Quarter 2020



Foreclosure moratoriums have kept these numbers low during the pandemic. Meaningful new foreclosure data won't be available until later in 2022.

Population Growth

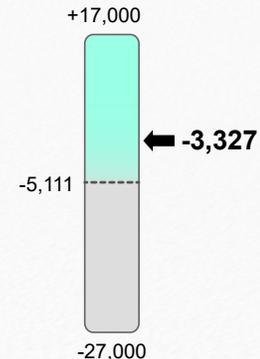
2020 to 2021



After four years of decline, Alaska's population grew slightly in 2021.

Net Migration

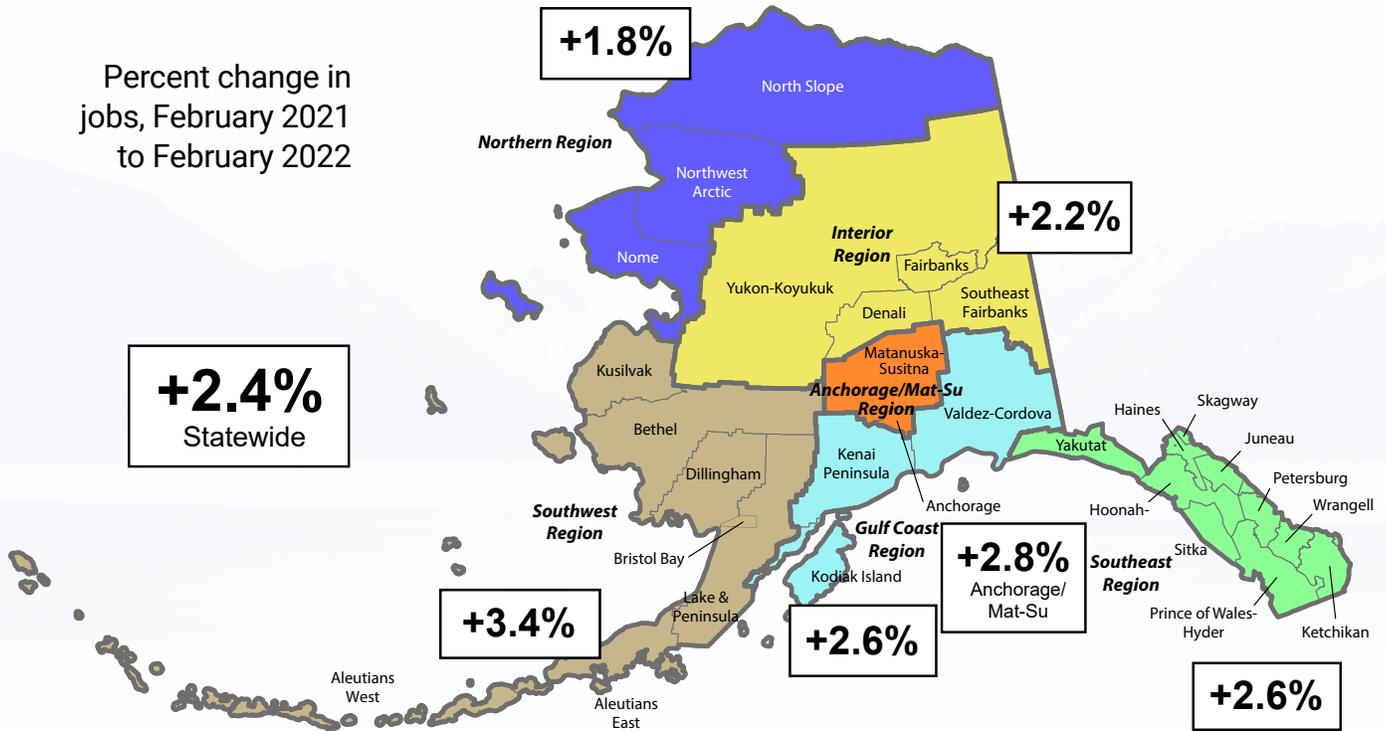
2020 to 2021



The state had net migration losses for the ninth consecutive year in 2021, although the loss was smaller. Net migration is the number who moved to Alaska minus the number who left.

Employment by Region

Percent change in jobs, February 2021 to February 2022



Seasonally adjusted

| | Prelim. | | Revised |
|---------------|---------|------|---------|
| | 2/22 | 1/22 | 2/21 |
| United States | 3.8 | 4.0 | 6.2 |
| Alaska | 5.4 | 5.6 | 7.0 |

Not seasonally adjusted

| | Prelim. | | Revised |
|---------------|---------|------|---------|
| | 2/22 | 1/22 | 2/21 |
| United States | 4.1 | 4.4 | 6.6 |
| Alaska | 5.6 | 5.9 | 7.8 |

Regional, not seasonally adjusted

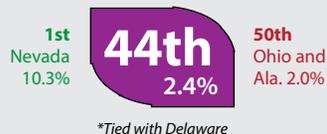
| | Prelim. | | | Revised | | | | Prelim. | | | Revised | | |
|---------------------------------|------------|------------|------------|------------|------------|------------|-----------------------------------|------------|------------|-------------|------------|------------|-------------|
| | 2/22 | 1/22 | 2/21 | 2/22 | 1/22 | 2/21 | | 2/22 | 1/22 | 2/21 | 2/22 | 1/22 | 2/21 |
| Interior Region | 5.4 | 5.7 | 6.7 | 5.4 | 5.7 | 6.7 | Southwest Region | 8.5 | 8.9 | 10.3 | 8.5 | 8.9 | 10.3 |
| Denali Borough | 16.1 | 17.2 | 18.7 | 16.1 | 17.2 | 18.7 | Aleutians East Borough | 2.0 | 3.0 | 2.8 | 2.0 | 3.0 | 2.8 |
| Fairbanks N Star Borough | 4.7 | 5.0 | 5.3 | 4.7 | 5.0 | 5.3 | Aleutians West Census Area | 2.1 | 3.5 | 2.5 | 2.1 | 3.5 | 2.5 |
| Southeast Fairbanks Census Area | 7.7 | 7.8 | 7.7 | 7.7 | 7.8 | 7.7 | Bethel Census Area | 11.9 | 11.4 | 14.0 | 11.9 | 11.4 | 14.0 |
| Yukon-Koyukuk Census Area | 11.9 | 11.5 | 25.2 | 11.9 | 11.5 | 25.2 | Bristol Bay Borough | 11.8 | 13.2 | 12.9 | 11.8 | 13.2 | 12.9 |
| Northern Region | 8.9 | 8.7 | 9.7 | 8.9 | 8.7 | 9.7 | Dillingham Census Area | 7.7 | 7.4 | 9.3 | 7.7 | 7.4 | 9.3 |
| Nome Census Area | 9.4 | 9.1 | 9.7 | 9.4 | 9.1 | 9.7 | Kusilvak Census Area | 18.0 | 16.8 | 21.9 | 18.0 | 16.8 | 21.9 |
| North Slope Borough | 6.2 | 6.2 | 7.1 | 6.2 | 6.2 | 7.1 | Lake and Peninsula Borough | 9.4 | 9.4 | 12.2 | 9.4 | 9.4 | 12.2 |
| Northwest Arctic Borough | 10.8 | 10.6 | 12.3 | 10.8 | 10.6 | 12.3 | Gulf Coast Region | 7.2 | 7.7 | 9.2 | 7.2 | 7.7 | 9.2 |
| Anchorage/Mat-Su Region | 5.0 | 5.3 | 7.4 | 5.0 | 5.3 | 7.4 | Kenai Peninsula Borough | 7.1 | 7.4 | 9.5 | 7.1 | 7.4 | 9.5 |
| Anchorage, Municipality | 4.5 | 4.8 | 7.2 | 4.5 | 4.8 | 7.2 | Kodiak Island Borough | 6.1 | 7.5 | 7.2 | 6.1 | 7.5 | 7.2 |
| Mat-Su Borough | 6.4 | 6.6 | 8.2 | 6.4 | 6.6 | 8.2 | Chugach Census Area | 6.5 | 6.9 | 10.1 | 6.5 | 6.9 | 10.1 |
| | | | | | | | Copper River Census Area | 16.2 | 16.4 | 12.1 | 16.2 | 16.4 | 12.1 |
| | | | | | | | Southeast Region | 5.6 | 6.0 | 8.2 | 5.6 | 6.0 | 8.2 |
| | | | | | | | Haines Borough | 12.0 | 12.9 | 17.2 | 12.0 | 12.9 | 17.2 |
| | | | | | | | Hoonah-Angoon Census Area | 11.9 | 12.0 | 14.2 | 11.9 | 12.0 | 14.2 |
| | | | | | | | Juneau, City and Borough | 3.9 | 4.2 | 6.3 | 3.9 | 4.2 | 6.3 |
| | | | | | | | Ketchikan Gateway Borough | 6.3 | 6.8 | 9.5 | 6.3 | 6.8 | 9.5 |
| | | | | | | | Petersburg Borough | 7.0 | 8.5 | 8.3 | 7.0 | 8.5 | 8.3 |
| | | | | | | | Prince of Wales-Hyder Census Area | 7.8 | 8.1 | 10.0 | 7.8 | 8.1 | 10.0 |
| | | | | | | | Sitka, City and Borough | 4.1 | 4.8 | 6.8 | 4.1 | 4.8 | 6.8 |
| | | | | | | | Skagway, Municipality | 17.9 | 17.5 | 21.1 | 17.9 | 17.5 | 21.1 |
| | | | | | | | Wrangell, City and Borough | 7.1 | 7.5 | 8.8 | 7.1 | 7.5 | 8.8 |
| | | | | | | | Yakutat, City and Borough | 7.3 | 7.9 | 8.4 | 7.3 | 7.9 | 8.4 |

How Alaska Ranks

Unemployment Rate¹



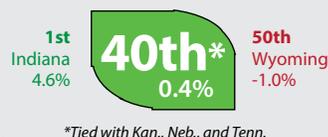
Job Growth²



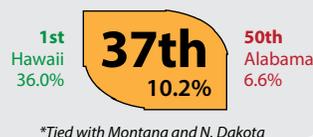
Job Growth, Private²



Job Growth, Government²



Job Growth, Leisure and Hospitality²



Note: Government employment includes federal, state, and local government plus public schools and universities.

¹February seasonally adjusted unemployment rates

²February employment, over-the-year percent change

Sources: U.S. Bureau of Labor Statistics; and Alaska Department of Labor and Workforce Development, Research and Analysis Section

Other Economic Indicators

| | Current | | Year ago | Change |
|--|------------|---------------|------------|---------|
| Urban Alaska Consumer Price Index (CPI-U, base yr 1982=100) | 241.698 | 2nd half 2021 | 227.258 | +6.4% |
| Commodity prices | | | | |
| Crude oil, Alaska North Slope, * per barrel | \$93.54 | Feb 2022 | \$61.88 | +51.16% |
| Natural gas, Henry Hub, per thousand cubic feet (mcf) | \$4.47 | Feb 2022 | \$2.92 | +53.08% |
| Gold, per oz. COMEX | \$1,967.70 | 3/25/2022 | \$1,734.70 | +13.43% |
| Silver, per oz. COMEX | \$25.92 | 3/25/2022 | \$25.11 | +3.23% |
| Copper, per lb. COMEX | \$4.74 | 3/25/2022 | \$4.07 | +16.46% |
| Zinc, per lb. | \$1.85 | 3/25/2022 | \$1.28 | +44.53% |
| Lead, per lb. | \$1.06 | 3/25/2022 | \$0.87 | +21.84% |
| Bankruptcies | | | | |
| Business | 50 | Q4 2021 | 75 | -33.33% |
| Personal | 5 | Q4 2021 | 7 | -28.57% |
| Unemployment insurance claims | | | | |
| Initial filings | 4,286 | Feb 2022 | 15,356 | -72.09% |
| Continued filings | 28,624 | Feb 2022 | 69,394 | -58.75% |
| Claimant count | 7,420 | Feb 2022 | 17,764 | -58.23% |

*Department of Revenue estimate

Sources for this page and the preceding three pages include Alaska Department of Labor and Workforce Development, Research and Analysis Section; U.S. Bureau of Labor Statistics; U.S. Bureau of Economic Analysis; U.S. Energy Information Administration; Kitco; U.S. Census Bureau; COMEX; NASDAQ; Alaska Department of Revenue; and U.S. Courts, 9th Circuit

SAFETY MINUTE

Parents play key role in keeping working teens safe

Millions of teens in the United States work, and surveys suggest about 80 percent will have held a job by the time they finish high school. Teens can start working at age 14 with a work permit, and earlier than that in certain industries.

Teens are twice as likely as adults to be injured on the job. Nearly 60,000 teens from 15 to 17 get injured on the job in the U.S. every year, and rates are even higher for those under 15.

If your child was issued a work permit, ensure it covers the work being performed. If the duties on the work permit change, it may no longer be valid. Workers must obtain a new permit for each new job.

Parents play an important role in teaching teens their rights as workers, how to recognize hazards in the workplace, and how to speak up when a problem arises at work. Parents can't rely on workplace-specific training to teach their kids the general health and safety skills they can carry from job to job.

To take an active role in your children's employment decisions:

- Educate your children about their legal rights in the workplace.
- Become familiar with the industry in which your child is working. Identify hazards linked to the equipment and work processes, and discuss them with your teen.
- Talk to your teen about tasks they can legally perform and help them understand the reasons for the rules.
- Pay attention to where your children are working and what they are doing.
- Ask questions about what they did at work and about the training and supervision the employer provided.
- Help your child report hazards to managers or OSHA, if necessary.

This Safety Minute was written by Adante Jones, safety consultant for the Alaska Occupational Safety and Health Consultation and Training Section of the Department of Labor and Workforce Development. For more information on keeping your employees safe, please visit labor.alaska.gov/lss/oshhome.htm.

EMPLOYER RESOURCES

Training provider list gives details on proven programs

Businesses need a skilled workforce to compete in today's global economy, and they're increasingly asking for Alaskans who have higher levels of skills and knowledge.

The Alaska Department of Labor and Workforce Development's Eligible Training Provider List is a compilation of statewide education and training programs that align with Alaska's in-demand occupations and industries. The ETPL identifies which training options are of the highest quality and are the most appropriate and reliable.

Participants enrolled in a training program listed

on the ETPL have access to Workforce Innovation and Opportunity Act funding, which can help pay for the training. For more on WIOA, visit: <https://labor.alaska.gov/wioa/home.htm>

For more information about the Division of Employment and Training Services' ETPL, including guidelines, the AlaskaJobs guide, and a list of eligible programs, go to: <https://labor.alaska.gov/dets/etpl.htm>

Employer Resources is written by the Employment and Training Services Division of the Alaska Department of Labor and Workforce Development.